

# State Board of Equalization

## OPERATIONS MEMO

Confidential

No. : 1044

Date: September 10, 1996

### **SUBJECT: PROCESSING DELINQUENCIES**

#### **GENERAL**

Delinquencies are created when the taxpayer fails to file a sales tax return or prepayment form for a reporting period by the required due date. A delinquency is established on the mainframe DEL system approximately two weeks after the due date of the return or prepayment form. The specific date the delinquency is established for each reporting period is found on the "Delinquency Processing Date Chart" (Exhibit A).

With the advent of the Board's Automated Compliance Management System (ACMS), the procedures for clearing delinquent accounts are being modified to facilitate the establishment of an account receivable at the earliest possible moment. Accounts entering ACMS will be separated into three categories depending on reporting basis and business code. The July 1996 returns are the first to enter the new processes on September 24, 1996, as identified in the Delinquency Processing Date Chart.

#### **PROCESSING DELINQUENCIES PRIOR TO ACMS ASSIGNMENT**

Because of the extended period of time between delinquency and ACMS assignment, all delinquencies will be worked by the district office prior to ACMS assignment. Accounts which are already closed out when a delinquency is established and delinquencies on temporary accounts will never automatically enter the ACMS delinquency control process and, therefore, must be worked and followed-up manually until cleared.

The District Principal Compliance Supervisor has responsibility to ensure that all manually worked delinquencies are assigned to the appropriate staff level. Tax Technicians (TT) are normally at the appropriate level for first contact regarding delinquency prior to ACMS assignment. The following procedure will be followed by all districts:

1. Assignments will be made using the DEL 2 program. Assignments for each DEL 2 list must be made within five working days from the "Enters ACMS - Assign Del 2" date on the Delinquency Processing Date Chart. The assigning supervisor should review the DEL 2 list to identify any accounts that should be assigned at the BTR level and/or given a high priority.
2. TT's will follow CPMG Section 105.000, Case Management Guidelines for Board of Equalization Representatives (Exhibit B), when working delinquency assignments.
3. Prior to contact with the taxpayer, TT's will review the file and/or on-line BT-403 and TAR Comment screens (CPMG 105.020).
4. [REDACTED]
5. Immediately after each contact or action, the assigned TT will document what transpired on the TAR [F11] Comment screen following the documentation procedure outlined in CPMG 105.040. In addition to any paper notes that are maintained, notes regarding all contacts and actions **must** be entered on the TAR Comment screen.
6. [REDACTED]
7. Prior to each contact or action the TT will check DEL 1 and AR 1 to determine the current status of the account. Delinquency assignments with an AR balance must be returned to the supervisor as they are in an ACMS functional area and are already assigned to either a TT III or Business Taxes Representative (BTR).
8. In cases when a TT has taken all actions within his or her scope to clear a delinquency more than 10 days before it will be automatically assigned through ACMS, the delinquency should be referred to the assigning supervisor who will immediately remove the delinquency from ACMS holding state and assign it manually in ACMS Call Awaiting to a TT III or BTR. This also applies to delinquencies on closed-out and temporary accounts. However, since they are not in ACMS holding state, they must be manually assigned in ACMS Call Awaiting to a TT III or a BTR after the TT's have taken all actions within their scope.

#### **PROCESSING DELINQUENCIES ON ACCOUNTS IN THE AUTOMATED COMPLIANCE MANAGEMENT SYSTEM**

Delinquencies on active accounts enter ACMS according to the "Delinquency Processing Date Chart" (Exhibit A). Delinquencies that remain uncleared at the "ACMS Assigns to Staff by Category" date are assigned based on the categories described below.

**Description Of Categories**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**ACMS Assignment Working Procedures**

Work lists in the ACMS Delinquency Functional area must be checked by assigned TT III's and BTR's daily. Accounts requiring action should be worked following procedures outlined in CPMG Section 105.000 (Exhibit A). The TAR Comment screens should be reviewed on all new assignments to identify any actions taken prior to ACMS assignment and to maintain a consistent work plan. All actions taken to clear ACMS assigned delinquencies should be well documented on ACMS "Notes".

Delinquency notices sent to Category 1, 2, and 3 accounts are automatically produced through the Delinquency system. Notices will be sent to taxpayers according to the Delinquency Processing Date Chart and will only be prevented if a return is received and processed prior to the "Enters ACMS Assign Del 2" date or if a period withhold is placed on the account. Accordingly, taxpayers should be advised that they may continue to receive notices until the delinquency is actually cleared.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### **MISCELLANEOUS**

Accounts with a delinquent period due date after implementation of ACMS will be categorized according to the new procedures. Accounts with a delinquent period due date prior to implementation of the ACMS will continue in their existing cycle. Districts should work all delinquencies using the rules listed above.

### **OBSOLESCENCE**

This Operations Memo will become obsolete when the information contained herein is incorporated in the Compliance Policy and Management Guidelines.

Sue Coty  
Compliance Program Manager

Attachment  
Distribution: 1-D